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## Operations Assessment & Financial Planning Report

Prepared for: Metro Cemetery Program

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## I. EXECUTIVE SUMMARY

Cemetery Planning Resource Alliance (CPRA) commends Metro for identifying its operational and financial difficulties and stepping forward to solicit professional help to address them. Hundreds, if not thousands, of cemeteries across the country are currently facing similar issues, yet most struggle to address them and often wait too long to seek assistance to comprehensively resolve them<sup>1</sup>. Metro is one of the first cemetery organizations, public or private, to proactively address the critical issues that threaten its success and its very survival. By doing so, the Metro Cemetery Program (MCP) has taken the first step to ensure that its cemeteries will continue to be available for the families it serves.

Over the course of six months, CPRA worked closely with the MCP staff to review, discuss, and analyze the operational and financial conditions they face on a daily basis to offer a focused, professional guidance toward developing measured approaches for improved success of the overall program. The observations, suggestions, and recommendations noted herein are intended to educate the Council about the Program, including the various opportunities and constraints that should be considered prior to making executive decisions about the direction of the Program.

Through its analysis of MCP operations and financial information, and drawing upon its considerable industry experience as it applies to similar issues, CPRA believes strongly that the MCP can become financially successful over time should Council and Metro Leadership choose to implement revenue generating enhancements and operational changes intended to improve efficiency and support economic and environmental sustainability. CPRA has collaborated with the MCP Manager, Rachel Fox, to develop focused recommendations, financial pro formas, return on investment (ROI) and organizational considerations. These outline the necessary steps needed to move the Program toward true economic sustainability. This approach is based on appropriate strategies employed successfully elsewhere, and allows for ongoing monitoring by Metro staff and Council to ensure selected measures are successful and yield the desired results.

As with any business, there is no denying it will take funding to make the necessary changes and improvements, but the goal is to have this funding commensurate with the needed actions, and be balanced with quantifiable returns on investment each step of the way.

CPRA and MCP staff looks forward to Council review, discussion about the findings of this report, and to its guidance applicable to needed improvements for Metro. Without exception, the 14 cemeteries managed by MCP are rich with history, and are part of the Portland region's story – you have the opportunity to help write the next chapter in this story and make Metro Pioneer Cemeteries a “great place” for generations of families, those served today and well into the future.

<sup>1</sup> ('Perpetual' funds: Guaranteed to Fail, International Cemetery, Cremation, and Funeral Association Magazine, August-September 2009) Appendix 1

## II. OVERVIEW

This section is a brief background of the cemetery program and project as it relates to Metro's decision to solicit professional operations assessment and financial planning. It also includes Metro's "Compass" as it pertains to the Program generating revenue, its excellence in service and how passionate the agency is about the program. In addition consideration has been made to Metro's core values and behavior as it goes about its work, and is incorporated into the final report. Please note for the purposes of this report, a glossary of terms used in the death care industry is included in Appendix 2.

### A. The Project

CPRA was retained by MCP to perform the scope of work listed in RFP 11-1850 Metro Pioneer Cemeteries: Operations and Market Assessment, Business Plan Recommendations and Financial Pro Forma. This solicitation followed a Metro Council status report developed in August of 2010. Staff presented the status report at a work session with the Metro Council and presented the current economic condition of the Metro Cemetery Program (MCP) related to:

- Staffing and expenditures.
- Pricing and future recommendations.
- Records management.
- Current and future capital requirements.
- Perpetual care funding.
- Uncatalogued maintenance needs.

Following that effort, the Council requested staff to solicit a professional cemetery planning consultant to perform an assessment of operations and market conditions, identify business plan recommendations, potential future development opportunities, and create a financial pro forma.

The subsequent Request for Proposal clearly identified the following goals:

- Develop business plan recommendations to inform Metro's senior leadership and Metro Council on future operations alternatives with examples from around the U.S.
- Provide recommendations for improved management of the MCP.
- Incorporation of the MCP with Metro's brand, sustainability plans, and seeks Salmon Safe certification.
- Identify marketing and investments that will enhance the life of the MCP and generate future revenues.
- Include financial pro formas for future operations, investments, and risks.

Additional considerations noted in the RFP to be taken into account included the following:

- Consider the Metro's Intertwine Initiative or the creation of a Cemetery Maintenance District.
- Metro's Compass and values in Public Service, Excellence, Teamwork, Respect, Innovation, and Sustainability.

## B. Metro Cemetery Background

Metro's cemeteries were once simple, unplanned burial grounds that have evolved into park-like spaces reflecting the character of the region today. Today, much like in the mid-19th century, city dwellers find respite in the unlikely confines of cemeteries.



Beginning in the 1830's, rural burial grounds offered a welcome resort for families seeking a weekend escape from the city. These cemeteries were the first North American examples of naturalistic landscapes and curvilinear road patterns; significantly they were used for recreation as well as for burial. Metro's 14 Pioneer Cemeteries belong in this category of cemeteries. They were established from as early as 1837 through the early homesteading period (circa 1850-1870) and are spread throughout Multnomah County, Oregon.

As the years passed, caretaking responsibilities were often handed down to family descendants. As the cemeteries grew, responsibilities shifted to private cemetery associations. None of the cemeteries had perpetual maintenance funds. Instead, they relied upon continuing grave sale revenue and charitable giving for maintenance funding. Over the intervening decades, care of these cemeteries became inconsistent and some were abandoned to revert back to nature.

After many years of neglect, the Oregon Legislature mandated public care of 14 of the Pioneer Cemeteries remaining in Multnomah County through a series of mid-century legislative enactments. Multnomah County received ownership of the cemeteries without any perpetual care funding but was tasked with assuring proper perpetual maintenance of the facilities. With ownership, the County inherited a set of inconsistent and sometimes incomplete cemetery records.

In 1994, Multnomah County transferred ownership of the Pioneer Cemeteries to Metro, along with the same state mandate to care for them in perpetuity. As Metro became more familiar with the cemeteries as a steward of these properties, it became clear that the approximately 65,000 interment records and pre-arrangement records transferred to Metro were poorly maintained over the last 100 years.

## C. Inventory

MCP has implemented a Cemetery Records Management Improvement Plan and has reviewed and recorded 65,000 records digitally to create an electronic database that will track future business operations. With this effort they compiled a complete inventory of available graves and encroachments and also preserved over two dozen historic interment books.

Until recently, Metro Finance had estimated that the MCP could be maintained by grave sale revenues until 2058 with 9,000 available graves and approximately 200 grave sales per year. However, the Cemetery Records Management Improvement Plan data has provided that Metro's available grave inventory is actually half of the program's earlier estimates with 4,300 available graves with sales at the rate of +/- 130 per year, or 33 years of inventory.

## D. Marketing

MCP currently markets its properties, merchandise, and services in a relatively low key manner. Primary approaches include use of the Metro website, printed brochures and information sheets, annual and special events scheduled on its properties, affiliation with historic organizations in the community, and taking advantage of educational and out-reach opportunities when they are identified.

While these methods are informative and effective, additional types of marketing could be pursued to further advance MCP's presence in the community. Examples used by other municipal cemeteries around the country could be examined and applied as appropriate. These could include general and targeted mailings, billboard and poster-type advertising, and a variety of shared opportunities with public or private entities with working relationships with MCP.

## E. Fees

Fees charged by MCP for interment rights to grave plots and services are among the lowest in the entire Portland metropolitan area. Following discussions with Metro Finance, they proposed stepped increases in August 2010 that would take place over the next three years to raise them to levels more comparable to those of other local municipal and private cemeteries. These increases were put on hold pending the outcome of this report.

While proposed increases will pertain to interment rights, merchandise, and services, raising the perpetual care contributions may also be considered. While the current rate collected for the perpetual care fund is at the State standard minimum of 15% for grave sales and 5% for inurments, consideration should be given to raising the rate. It is not uncommon for peer cemeteries around the country with unacceptably low care funds to require contributions in the 20% - 30% range. While these increases will not make dramatic changes overnight, the increases will begin to add up over time.

## F. Finance

MCP is currently operating at a deficit, and has for the last several years. In the five previous years before the current FY 2010 – 2011, deficits averaged over \$140,000 per year, with the high being



\$202,047 in FY 08-09, and the lowest being \$48,552 in FY06-07. Unaudited FY 2010-2011 expenditures and revenues are expected to yield a deficit as well, at an estimated \$143,220.

While sales and revenue generation is tied to a number of factors, merchandise (grave and cremation right sales) available is primary among them. Merchandise and services currently offered in MCP's cemeteries is about as basic as it can be, with casket burials and inurnment of cremains in ground or in a single niche columbarium in one cemetery. Additional types of new cremation could be considered for development in selected areas of some properties. Sales are currently more reactive than they are proactive, with most business generated through walk-in or phone-in customers only. Any attempt to increase revenue through the development of new merchandise areas should also include new marketing approaches to help drive increased sales.

## G. Perpetual Care Fund

In 2003, Metro created the Pioneer Cemetery Perpetual Care Fund. This fund is intended to provide financial support for the long-term maintenance of the Metro Pioneer Cemeteries after the cemeteries are no longer generating revenue from grave sales and burial services. A resolution was adopted by Metro Council that made the fund permanent and restricted its use to this purpose. The fund receives revenue from a 15% surcharge on grave sales and 5% on cremation sales. No expenditures are anticipated from this fund until sales of grave sites are exhausted at the cemeteries. Fortunately Metro had the foresight in 2003 to implement this reserve fund as one did not exist before they took ownership responsibility from Multnomah County.

This reduction in inventory, coupled with the closure of several of Metro's cemeteries, reduces projected growth of the cemetery perpetual care fund. Market research indicates Metro's rates are the lowest in the region, with the program operating with an average \$140,000 annual deficit. The Cemetery Perpetual Care Fund currently has just \$345,565. If all sales were to stop today, Metro would have funds to maintain and care for the properties for approximately four to five years. However, Oregon law mandates that Metro must continue to steward these properties in perpetuity and is only able to transfer ownership to another public agency.

## H. Metro Compass



As part of its initial instructions and requests, senior Metro Parks and Environmental Services staff requested CPRA to consider and incorporate the core values of Metro as defined in the Metro "Compass" document into the final MCP assessment observations and recommendations as appropriate.

Core values and priority behaviors identified in the document were:

**Public Service** Serve the public with the highest level of integrity and strive to make a positive difference through leadership and by taking action.

**Excellence** Aspire to achieve exceptional results. Learn continuously; expand your capabilities.

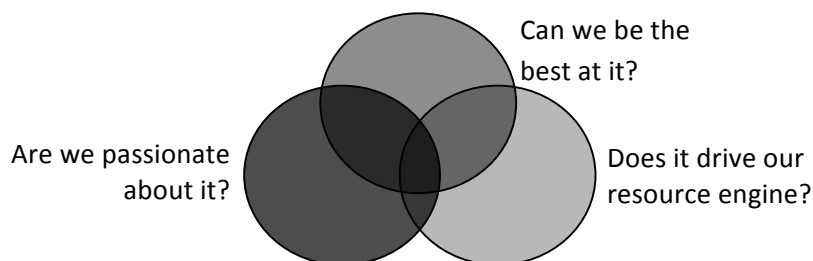
**Teamwork** Engage others in ways that foster respect and trust. Be dependable and accountable for your actions.

**Respect** Encourage and appreciate diversity in people and ideas. Demonstrate respect for each other. Treat everyone with care and appreciation.

**Innovation** Take pride in coming up with innovative solutions. Understand the importance of taking appropriate risks and learning from successes and setbacks.

**Sustainability** Be leaders in demonstrating resource use and protection. Balance the needs of the economy, environment, and society.

The Parks and Environmental Services staff included, as a part of the Metro Compass, how the MCP falls into Metro's overall core competencies in revenue generation, excellence in service and how passionate the agency is about the program. Their assessment is included below, with the darker the shade, the stronger the competency:



CPRA appreciates Metro's performance values, and behaviors in its delivery of services and products to clients within the death care industry. As noted the MCP can fulfill the Metro Compass in its core competencies with the agency gaining an understanding of how the Program adds to its portfolio as a service to the residents of the Portland metro region. This report aims to highlight that the Program is on the right path to creating enthusiasm within the agency. CPRA acknowledges these values and competencies and has sought to incorporate them into its observations and recommendations made in this report.

### III. EXISTING OPERATIONS

This section defines the current operations of the Metro Cemetery Program (MCP), including administrative information on the overall organization, staff composition, and information on the operations of the program itself, in terms of services, sales and marketing, maintenance, public use, financials, market conditions, and competition.

Defining these existing conditions and characteristics of the MCP and of the properties, and listing a S.W.O.T. (strengths, weaknesses, opportunities, and threats) Analysis with current liabilities, is essential in being able to delineate the subsequent recommendations in the document.

## **A. CPRA Observations/ First Impressions**

The first impressions of the MCP by the CPRA team were considerable and positive, both for the properties themselves and for the staff managing and maintaining them. The positive interest in the Program was also noted when coming into contact with other Metro staff and work teams. Initial observations include:

- Committed Staff: The entire MCP staff is extremely knowledgeable of and enthusiastic for the program. Their professional commitment to doing their very best at all times is openly evident, and was the most significant observation made.
- Facilities: While the MCP offices in the Metro Regional Center may currently lack some of the administrative spaces and arrangement rooms needed to offer families privacy they need in difficult times, their very presence in the building conveys a sense of Metro commitment to those being served.
- Metro Resources: Having the various Metro staff resources available to MCP, such as access to a legal team, marketing and communications services as well as mapping and technology, would seem to have tremendous value in supporting the administration and operations of the cemeteries.
- Cultural Resources: The 14 historic cemeteries are each valuable cultural resource within the community, and can play important roles in telling the history of the settlement of the State of Oregon.
- Unique Settings: While the properties vary greatly in their size, location, and history, each exists in a unique setting that allows the visitor to easily imagine it in earlier times.
- Condition and Appearances: With the exception of some failing infrastructure components, the physical condition and appearance of the properties is very good, and shows the care and commitment provided by MCP staff.
- Locations: The 14 properties are geographically well-distributed around the Metro jurisdiction, a perceived benefit in terms of maintaining program visibility and serving families in all areas.
- Obstacles: While each of the properties face their own specific difficulties, such as the aging infrastructure, limited space available, less than ideal visibility and access, and/or maintenance issues, the cumulative list is not overwhelming, and seems entirely manageable.
- New Offerings: Merchandise for cemeteries means graves, niche walls or memorialization. For Metro's cemeteries, many of the properties appear to have spatial and market opportunities that could support new types of merchandise offerings to help sales, such as columbaria, scatter gardens and natural burials.

- Entirety: Because each property has its own environmental, historical and botanical story to tell, all could help advance the greater cause of the MCP in some way, whether through the addition of new merchandise, site or historic interpretation, or other beneficial means.

## **B. Organizational Structure and Staff**

The Metro Cemetery Program operates within Metro Parks and Environmental Services which comprises of: the solid waste transfer station and hazard waste facilities, latex paint recycling, parks and the Metro Regional Center. The Management and Work Teams are defined below.

### **1. Staff**

MCP currently has a cemetery-specific professional staff of two full-time and two part-time employees on a year-round basis and employs three temporary seasonal workers during the summer. These include:

- One part-time non-represented Program Manager (.75 FTE).
- One full time and one part-time (1.75 FTE) represented Cemetery Coordinator.
- One full-time represented Park Ranger (1.0 FTE) who acts in a Lead Maintenance role over Seasonal Workers).
- Three seasonal Park Workers.

### **2. Program Manager**

The Program Manager is a newly added role for the MCP. In 2008 through the Sustainable Metro Initiative (SMI) this role was dedicated to provide consistent oversight and to establish business policies and procedures for the program. The Program Manager's responsibilities include the following:

- Managing MCP in terms of day-to-day staff assignments and sales responsibilities.
- Enforcing policy and creating procedures, monitoring program functions such as budget, contracts, and program performance.
- Representing the program in public relations.
- Presenting program proposals, requests, status reports, and other management transactions to Metro Council as required.

### **3. Cemetery Coordinators**

The two Cemetery Coordinators' responsibilities include a variety of professional, technical, and administrative duties in support of the program. They are primarily responsible for the day-to-day coordination of sales and services of the Pioneer Cemeteries, including:

- Customer service with in-take of sales, scheduling burials, performing day-of-burial duties, processing payments.

- Processing final disposition paperwork with the State.
- Creating and reviewing Affidavits.
- Determining interment rights.
- Transferring of interment rights.
- Processing genealogy requests.
- Processing files.
- Managing records to ensure compliance with state and county laws and Metro Code.

#### **4. Park Ranger**

In addition to overseeing the many tasks related to maintenance of the 14 cemeteries, and supervising the work of three seasonal Park Workers, the Park Ranger performs a wide variety of other tasks, including:

- Law enforcement.
- Construction of new elements.
- Repair of the site and infrastructure elements.
- Acts as the initial point of contact with visitors and interacts with the public as needed.

### **C. Products and Services Offered**

#### **1. Casket Interment Options**

Traditional casket burial and cremation burial are the primary options for final disposition at each of the 14 MCP properties. Sales of casket burial plots and related services provide the majority of revenue generated by MCP. Casket plot inventories are limited, and sales are decreasing. Opportunities for expansion are also limited, and with the closure of Lone Fir and Multnomah Park Cemeteries, the only MCP cemeteries with room to plat new burial sections are Douglass, a small portion of Multnomah Park, and Pleasant Home. Per the recent Cemetery Records Management Improvement Plan calculations, the total number of grave plots in the MCP inventory was approximately 4,300 in September 2011, the time of this report.

With the exception of two special congregational cemetery sections, one in each of two MCP properties, all sections are available for general purchase by the public. One special section exists in Portland at Jones Cemetery for the Havurah Shalom congregation, with the initial bulk purchase made in 1984 and a subsequent purchase in 2006. A second exists in Troutdale at Douglass Cemetery for the Eastside Jewish Community Co-Op, with the initial purchase made in 2003.

Though some multi-plot family blocks do exist at several of the cemeteries, no special family estate-type casket burial plots are currently available at MCP properties. These types of casket burial options are typically larger in size and more aesthetically placed on the property, and so are considered premium options and are sold for higher rates.

There are several historic mausoleum structures located at Lone Fir Cemetery and Multnomah Park, while no other private structures exist on MCP properties. Private mausoleums are typically placed by families on premium-sized plots, and maintenance and repairs are typically the responsibility of related family members similar to any monument or memorial/marker.

No community mausoleum structures currently exist on any MCP property. Because they require larger pad sizes in construction, few of the properties would be able to support this entombment option.

No natural (“green”) burial options are available at MCP properties at this time. This type of burial option typically involves the burial of an unembalmed body without an outer burial container, also known as a concrete vault. The body is typically placed in a biodegradable casket or body shroud with minimal or naturalistic memorials.

## **2. Cremation Inurnment Options**

Burial of up to four cremated remains in cremation liners is currently allowed in grave plots in all Metro properties. With the exception of a single small niche columbarium located in Douglass Cemetery, no other cremation inurnment options are currently available on MCP properties.

All of the cemetery properties have sufficient space available that could support the possible development of some new types of cremation merchandise elements or garden areas. Depending on the properties’ respective sales histories, micro-regional demographics, and applicable market conditions, opportunities for additional types of cremation inurnment could exist, and a possible expansion of offerings available at present to allow more inurnments per grave space and possible double depth inurnments.

The cremation rate in Oregon is one of the highest in the country, calculated at 69% in 2009 by the National Funeral Directors Association (NFDA), with the rate perhaps even higher in the Portland metro area. Market conditions may be favorable for the selective addition of new cremation merchandise to meet this demand. These types of products could be attractive, cost-effective additions to MCP’s cremation inurnment options because of the higher density of burials, subsequent more efficient development of land, and higher rate of return on a land area.

## **3. Genealogic Research Assistance**

MCP Cemetery Coordinators are responsible for performing records research and assistance with genealogic investigation for the program as needed for the general public as a public service. While families of the deceased can get information about their loved ones, because of privacy concerns only records older than fifty years are released to the general public. Few policies currently exist to direct this informal research activity, and while all work is done by hand, MCP staff tries to accommodate these requests to the extent possible.

#### **4. Burial Services**

Since 1994, when Metro was charged with the management of the 14 pioneer cemeteries, two local private companies have provided contracted burial services. From March 1998 through July 2005, Oregon Wilbert Vault & Casket Company, from Clackamas, Oregon provided these services. In 2005, Suhor Industries (SI) purchased that company and has continued to provide the same services under this name.

On an at-need basis, SI provides the following burial and other related services to Metro:

- Performs grave openings (digging); soil management on site.
- Provides and place outer burial containers (liners/vaults).
- Provides tents, chairs, casket lowering device, and other burial service equipment and amenities.
- Performs grave closings (backfill and reseed).
- Performs supplemental soil management duties, including backfilling sunken graves and hauling excess soil from individual properties to designated locations as directed by MCP.

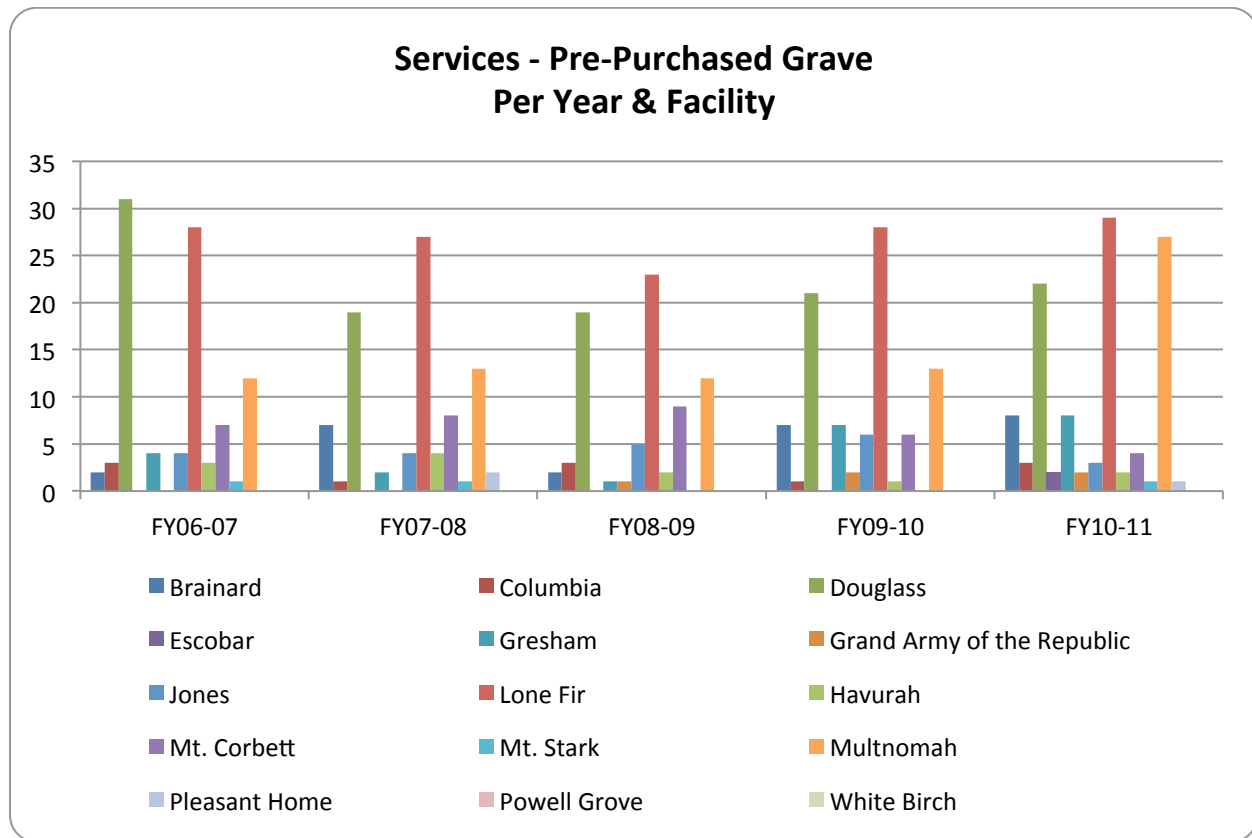
#### **5. Records Management, Sales, and Marketing**

Fifty percent of the Cemetery Coordinators' work consists of managing records and genealogical requests; the remaining 50% of their time is spent serving customers by making sales and services arrangements. Cemetery sales are currently conducted by MCP Cemetery Coordinators and approved by the Program Manager. Typical pre-burial sales duties involve the following:

- Staff taking initial phone calls from families and/or funeral homes, or meeting with them in the MCP office.
- Preparing applications for service.
- Choosing a grave or niche.
- Preparing a Contract of Purchase.
- Scheduling and overseeing burial services.
- Issuing a Certificate of Interment Right.
- Preparing transfer of interment rights from one party to another for graves and niches as needed.
- Maintaining inventory records per state and county laws.

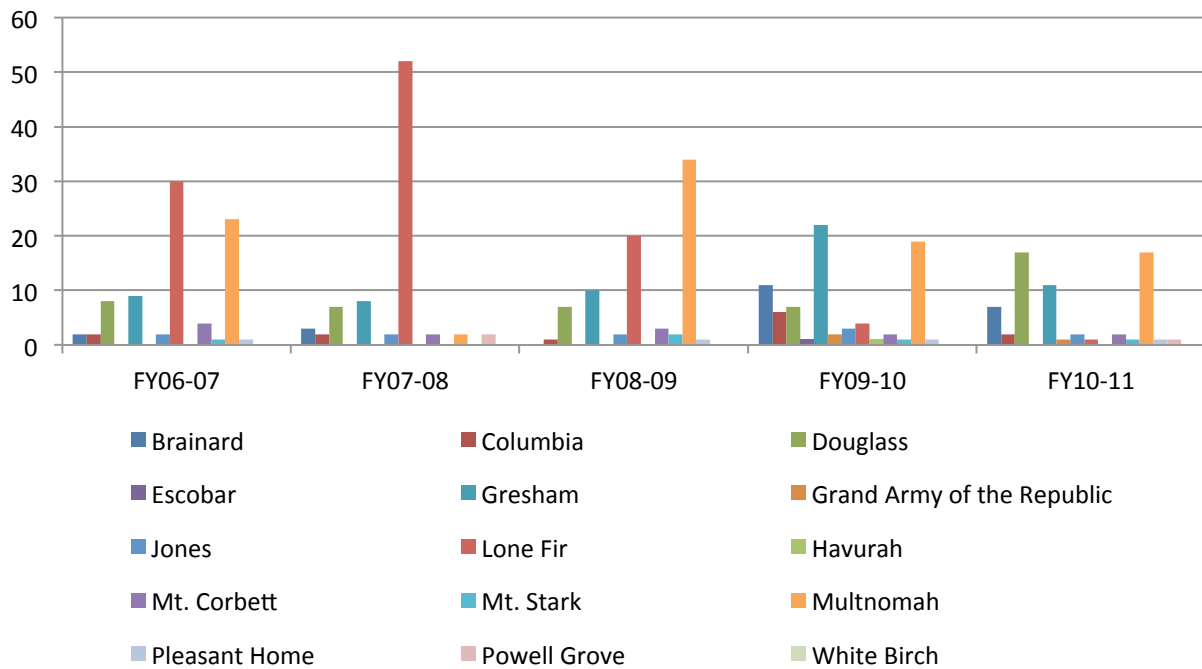
The primary methods of marketing for the grave plots and burial services within the cemetery properties are fairly passive. Methods of marketing include online information on Metro's website, and hard-copy brochures; other program information is available at Metro Regional Center. In addition, programming and events that take place on the properties (primarily at Lone Fir Cemetery) provide some indirect marketing benefits.

The following charts summarize sales (pre-purchase and at-need) and services for the Program for the last five (5) years. For a full report of sales by cemetery, see Exhibit 2.

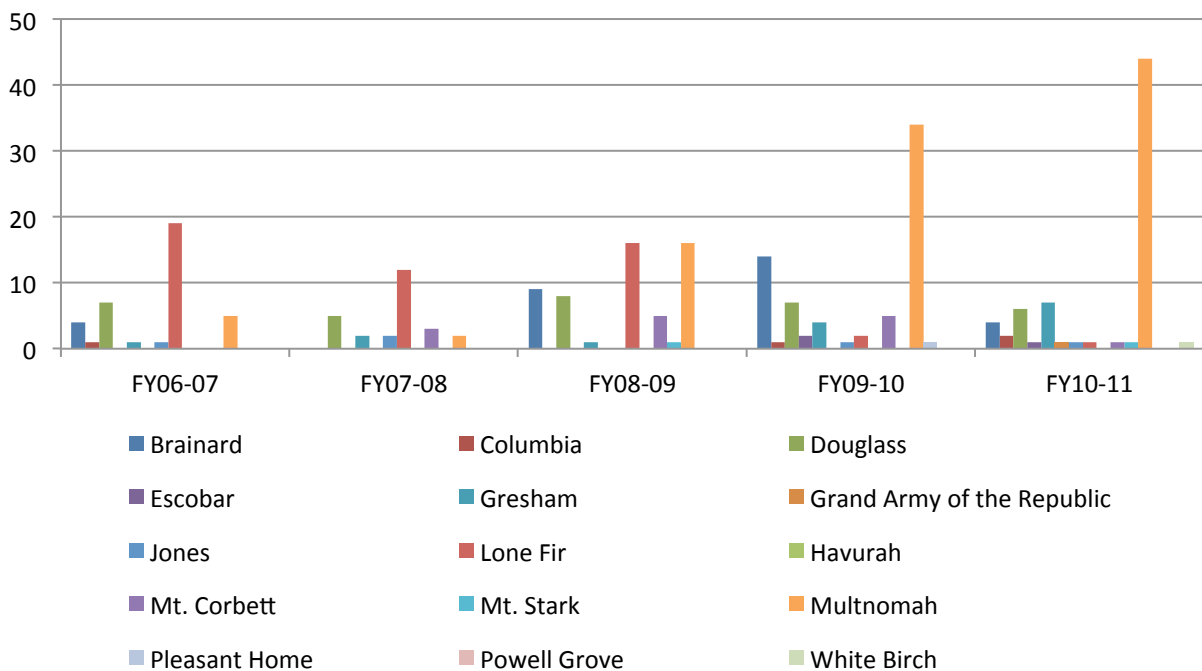




### Sales & Services - At-Need Per Year & Facility



### Grave Sales - Pre-Purchased Per Year & Facility



## 6. Maintenance

In-house Metro Parks staff assigned to MCP perform landscape maintenance duties for the 14 cemetery properties. One full-time Park Ranger acts in a lead maintenance role to direct three seasonal employees, who are responsible for all mowing, trimming, refuse collection, edging, pruning and branch removal, trash collection, facilities inspection and related landscape maintenance operations as needed throughout the year. Refuse collection, inspection, mowing, and trimming are performed once per week from approximately March through August, followed by mulching in October and November.

In the winter months, in-house staff removes snow/ice during times of inclement weather, makes weekly inspections of all facilities, collects trash and performs other maintenance duties as needed.

Equipment used to maintain the 14 properties includes:

- Two Ford F250 extended cab pickups.
- One Ford F550 diesel dump truck.
- Two equipment trailers; one for a single mower, and the other for two.
- Two mowers with 60" decks and two mowers with 72" decks.
- Assorted line trimmers, blowers, other power equipment, and hand tools.

On an as-needed basis, other Metro equipment may be allocated for use by MCP. This may include other uses of the dump truck mentioned above, a backhoe/ tractor, and a variety of additional power and hand tools. All of this equipment is housed in the Curry Maintenance Building at Blue Lake Regional Park.

When Metro Parks staff are unable to perform other needed duties due to lack of specialized skills or high volume of work, MCP may retain private contractors. In the past, MCP has contracted for the removal of large amounts of problematic vegetation, repaving cemetery roadways, and the provision, repair, or maintenance of other types of landscape or infrastructure elements.

### D. Public Use

Lone Fir receives the most attention and more visitors than the other MCP properties. It is one of the primary points of contact for residents visiting the pioneer cemeteries in the greater Portland area; therefore, it could be used to inform the public of the many cultural and environmental attributes of all Metro's pioneer cemeteries. The positive attributes that contribute to Lone Fir's high visibility and popularity include:

- Location within an active neighborhood.
- Proximity to downtown, near several popular historical and cultural museums and parks.
- Significant number of important founding family members interred within its boundaries.
- Hosts annual historic, cultural, artistic, and other special programs.

## 1. Passive Recreation Use

In addition to traditional burials and related uses, the public often uses the cemetery properties for a number of passive recreation uses such as walking/strolling, birding, horticulture interpretation and appreciation, history research, art, and general forms of respite throughout the year. These activities are low impact and compatible with the properties being used as parks.



Columbia Pioneer Cemetery provides residents 2.4 acres of park use in the dense urban area of NE Sandy and 97<sup>th</sup>.

Several MCP properties are used to host special events on an annual basis. For most properties, these events normally include Memorial Day and Veterans Day events, but may include others related to historic interpretation.

While Lone Fir Cemetery holds these types of memorial events annually, it also hosts regular history and horticulture appreciation tours and a number of other special gatherings, including Halloween events, films, music, art installations, performance art, and historic tours in an effort to raise the public's awareness and appreciation of this cemetery. Many of the more recent events have been associated with plans to raise funds for the renovation of Lone Fir's Block 14 to memorialize the many interred Chinese workers and a number of former residents of the Hawthorne Asylum buried nearby.

Lone Fir has also played host to a number of filming sessions for documentary and feature films, such as "Body of Evidence," starring Madonna, "Management," starring Jennifer Aniston, and most recently "Restless," directed by Gus Van Sant. The cemetery has also been featured in the sitcom "Portlandia." The cemetery has inspired the producers of Live Wire to produce a recording for a benefit music CD featuring stories about the cemetery.

Metro has a partnership agreement with Friends of Lone Fir Cemetery (FLFC) to work jointly to ensure the protection and preservation of Lone Fir Cemetery through education, events, and restoration. In addition, through the formation of a new 501c3, the Lone Fir Cemetery Foundation will work with Metro, FLFC and the community to conduct ongoing fundraising for capital and maintenance for the property.

Multnomah Park Cemetery has a friends group that is working with staff to unearth and reset hundreds of headstones and also conduct research of those interred in the cemetery.

A friends group for Douglass Cemetery was just forming at the time this report was first being written. These volunteers are working on unearthing and resetting headstones and doing research.

Grand Army of the Republic benefits from volunteers of the Sons of the Union Veterans who work to install or replace missing or damaged veterans' markers. The same group also replaced the statue at the site and regularly holds clean up days.

## **2. Historic Interpretation**

All 14 of Metro's pioneer cemeteries are listed with the State of Oregon Historic Cemeteries Commission and represent notable contributions to the story of the State of Oregon. In addition, Lone Fir is the only cemetery in the portfolio listed with the U.S. Department of the Interior's National Register for Historic Places. The quantity, quality, and diversity of historic monuments and markers located in the cemeteries create considerable demand for visitation by individuals, students, and groups interested in the history of the settlement and early growth of Oregon, as well as genealogic research. This concentration of historic resources creates great potential for MCP to raise the public's awareness of its properties through historic interpretation within the cemeteries.

## **3. Botanic Interpretation**

The unique botanical qualities of Metro's cemeteries distinguish them from other cemetery properties in the region. They receive considerable visitation by individuals and groups interested in botany and horticulture because of the quantity, quality, and diversity of both evergreen and deciduous trees, and other vegetation.

Lone Fir in particular is considered an arboretum and has over 600 species of trees and shrubs within its boundaries. Three of its trees are listed with the City of Portland's Heritage Tree Program. The cemetery also provides a sanctuary for birds, and for years the Audubon Society has conducted Christmas wildlife counts, discovering the presence of the following species:

- Red Breasted Sapsucker
- Townsend's Warbler
- Varied Thrushes
- Winter Black Capped Chickadees
- Chestnut Back Chickadees
- Ruby Crowned Kinglets
- Hawks
- Downy Woodpeckers
- Fox squirrels

## E. Sustainability

Attention to issues of sustainability is another factor that allows MCP properties to stand apart from others in the region. As an elected regional governing body responsible for providing a wide range of services to more than 1.5 million residents in the greater Portland area, Metro is committed to creating “a vibrant and sustainable region for all.” To achieve this mandate, it embraces a series of results-oriented goals and programs, including cutting-edge planning efforts, innovative community education programs, provision of healthful places and activities for its residents, and a number of other services and programs that it offers. The theme of sustainability is a common thread through all of these offerings. Per Metro initiatives, MCP cemeteries are currently “naturescaped,” employing a customer accepted maintenance regime whereby fertilizers, pesticides, and herbicides are not used, and reduced watering of the grounds is realized.

MCP takes the charge of incorporating sustainable ideas and practices seriously, both in the day-to-day operations and maintenance of its 14 cemeteries, and in planning efforts to improve and sustain them in perpetuity. Issues of sustainability, as they apply to MCP operations and properties, include not only environmental issues, but fiscal responsibility and sustaining spiritual issues of the families it serves, as well. Any new developments that may result from operations assessment and financial planning recommendations would most assuredly address a wide range of issues of sustainability, per Metro directives.

As needed to further enhance the sustainability of its 14 cemetery properties now and for the long-term, MCP could turn to a number of existing resources that may be applicable. As an example, one of the most complete sets of landscape management guidelines in existence today has been developed and is currently being field-tested through the Sustainable Sites Initiative, outlined below for MCP to consider:

### 1. The Sustainable Sites Initiative, or SITES™

This effort is based on a partnership between the American Society of Landscape Architects, the Lady Bird Johnson Wildflower Center at the University of Texas, Austin, and the United States Botanic Gardens, and includes considerable input and feedback from a diverse group of landscape stakeholders around the country. Their interdisciplinary efforts have created a comprehensive set of guidelines, performance benchmarks, and future rating and certification system for public and private properties that apply a full range of landscape management practices, including planning, design, construction, operations, and maintenance.

The SITES™ management system includes such guidelines and benchmarks as:

- Future Site Selection
- Pre-design Assessment and Planning
- Site Design Issues for Water, Soil and Vegetation, Material Selection, and Human Health and Well-being
- Construction

- Operations and Maintenance
- Monitoring and Innovation

Three official pilot projects exist for study in the Portland metropolitan area now, and the guidelines have already influenced many more landscapes around the country in terms of comprehensive sustainability management. Once field-testing is complete in 2012, the final SITES™ Guidelines and Performance Benchmarks will be released in 2013. These benchmarks could provide valuable direction for enhancing the sustainability of all MCP properties. Pilot projects have included:

**COLLIER INDUSTRIAL PARK**, Clackamas, OR

Project Type: Commercial

Project Team: Collier Arborcare

Project Specifics:

- Removal of invasive plants
- Parking lot runoff directed to bio-swales
- Integrated pest management program
- Irrigation retrofitted to drip system
- Use of Organic Fertilizers
- Use of biodiesel in maintenance equipment

**THE HEADWATERS AT TRYON CREEK**, Portland, OR

Project Type: Residential

Project Team: Winkler Development Corp., Greenworks PC, MGH Engineering, Valaster/Corl Architects, Portland Development Commission, Portland Bureau of Environmental Sciences

Project Specifics:

- Mixed-use residential on a former brownfields site
- Integrated green buildings, parking, paths, and open space
- Wetland and creek restoration
- Bike, pedestrian, and neighborhood improvements
- Vegetative stormwater management strategies such as ecoroofs, green streets, rain gardens, and planters.

**ASH CREEK HOUSE**, Portland, OR

Project Type: Residential

Project Team: DeSantis Landscapes

Project Specifics:

- Residential project on a greyfields site (underutilized property)
- Natural Landscaping
- Stormwater harvesting
- Low-maintenance garden development

## 2. Salmon-Safe

Another set of landscape sustainability guidelines that the MCP could employ are those developed by Salmon Safe. This organization promotes the sustainable management of a wide variety of farm and urban lands as it applies to the protection of ecosystems that support native salmon in the Pacific Northwest. The Salmon Safe evaluation, rating, and certification system could be utilized by MCP to evaluate operations and maintenance activities on its properties. A partnership with the organization could also be used as a marketing tool for MCP, drawing on the name recognition of Salmon-Safe in the Pacific Northwest.

Certification of the 14 pioneer cemeteries under the Salmon-Safe standards has been identified as a desirable goal for this project. Salmon-Safe has been working with the City of Portland on several fronts for nearly a decade and has partnered with Metro with the Nature in Neighborhoods program, the Blue Lake Nature and Golf Learning Center, the Oregon Convention Center, and most recently the Glendoveer Golf Course.

The certification process could be done on a program-wide basis, with the goal of certification of all MCP properties. The Certification Standards lists those general requirements that must be met for certification, some of which include:

### Part A - General standards for certification:

- Adherence to local, state and national environmental protections.
- Standard management practices are employed to guide landscape operations and maintenance.
- Pesticide use, if a part of the maintenance provided, is documented and a part of a comprehensive integrated pest management program.
- The use of design practices that promote restoration of deficient areas and protection of on-site or nearby waterways.
- Summary reporting mechanisms are in place to sufficiently monitor conditions and progress made.

### Part B - Additional standards and performance requirements that are specific to six categories of interest intended to protect salmon habitat include:

- Stream habitat protection/restoration.
- Water use and irrigation management.
- Surface water runoff management.
- Erosion and sediment control.
- Chemical and nutrient containment.

The evaluation process involves a field-level assessment of properties seeking certification, both on a general system-wide and limited site-specific basis, and an extensive review of existing management guidelines pertaining to operations and maintenance. Certification may be awarded when the evaluation team and Salmon-Safe are satisfied that the properties meet the general standards and performance requirements, and the authority in charge has provided written agreement to comply with any stipulations raised as part of the review.

Applying for certification through Salmon-Safe seems like a desirable, both to provide and maintain the site conditions that truly protect waterways and salmon habitat, and for the public relations and educational benefits that would come with it. Through certification, MCP can take a big step on its own in supporting Metro's mandate for establishing and maintaining its properties in a sustainable manner.

## F. Financials: Pricing, Perpetual Care, Fee's and Renewal & Replacement (all sites)

CPRA has reviewed key aspects of the current financials and offers the following summary.

### 1. Overview

Due to a number of interrelated variables (i.e., sales prices, volume of sales, limited product offerings, limited marketing, temporary funding for Block 14 and the records project), MCP currently runs at a deficit. Metro subsidizes MCP by an average of about \$140,000 annually (FY 2006-07 to FY 2010-2011). Considering the combined size of the properties (approximately 66 acres), the fact that they are spread across Multnomah County and sales are generally passive, and this deficit is surprisingly low compared to other similar-sized operations. The chart and graphs that follow show revenue and expense trending over the last six years.

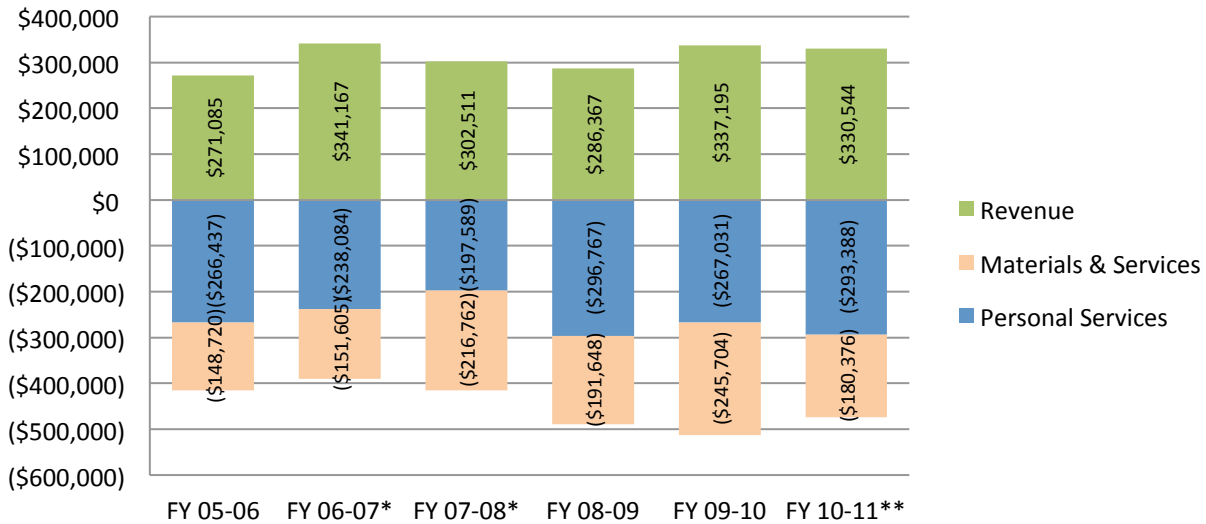
Metro Pioneer Cemeteries Revenue and Expenditures					
Fiscal Years 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and FY 2010-11 Unaudited Figures					
Fiscal Year	Expenses			Revenue	Profit/(Loss)
	Personal Services	Materials & Services	Total Expenses		
FY 05-06	\$266,437	\$148,720	\$415,157	\$271,085	(\$144,072)
FY 06-07*	\$238,084	\$151,605	\$389,689	\$341,167	(\$48,522)
FY 07-08*	\$197,589	\$216,762	\$414,351	\$302,511	(\$111,840)
FY 08-09	\$296,767	\$191,648	\$488,415	\$286,367	(\$202,048)
FY 09-10	\$267,031	\$245,704	\$512,735	\$337,195	(\$175,540)
FY 10-11**	\$293,388	\$180,376	\$473,764	\$330,544	(\$143,220)

\* FY 2007-08 and 2008-09 incurred additional, non-recurring cost of +/- \$60,000.

\*\* Unaudited.

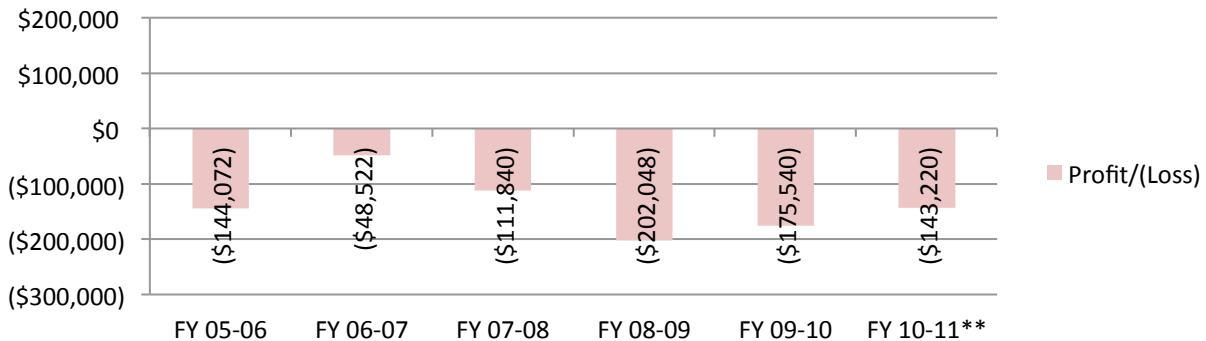


## Annualized Revenue and Expenses



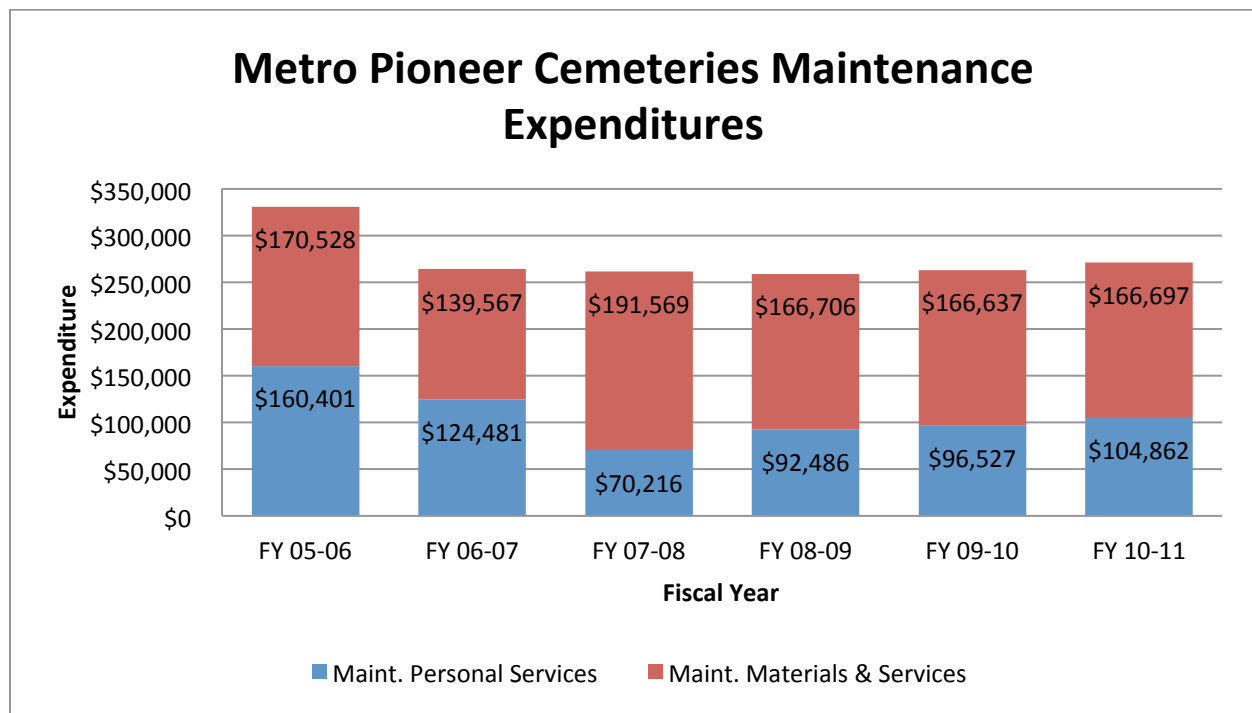
\*\* Unaudited.

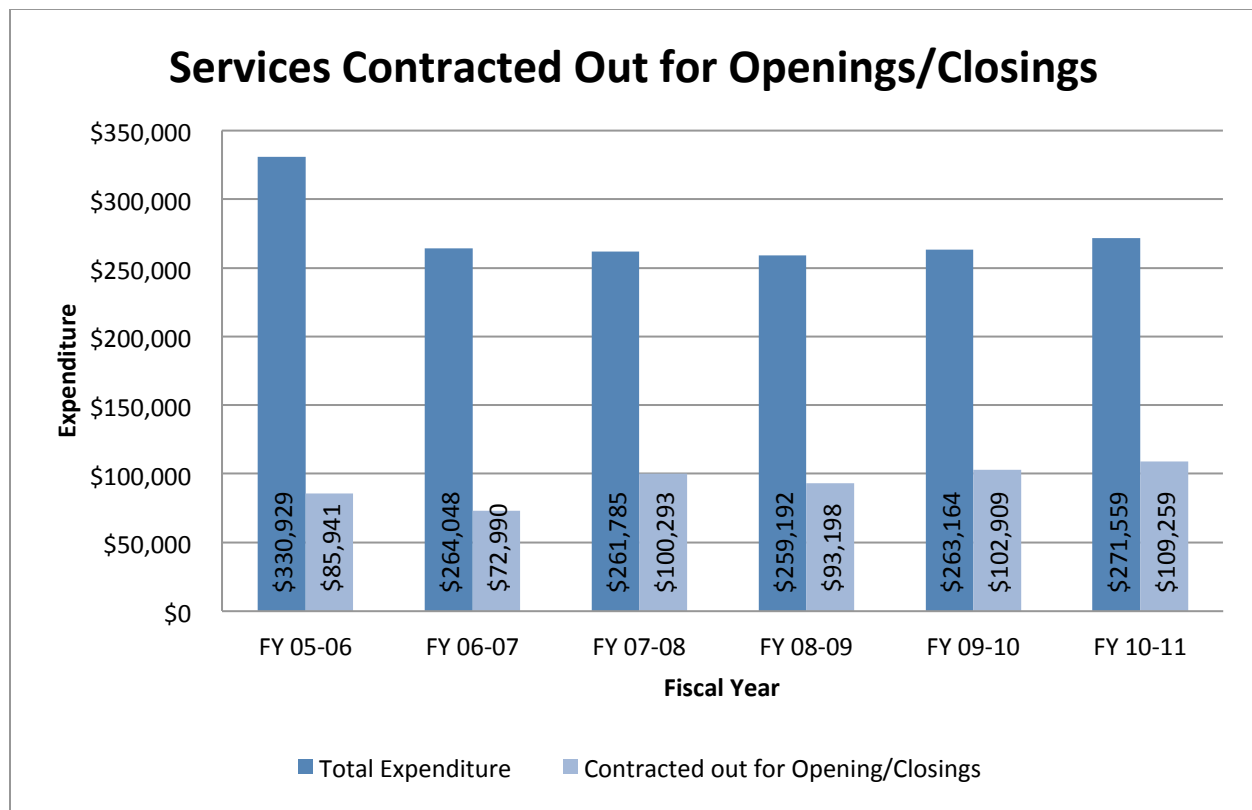
## Annual Profit/(Loss)



In addition to analyzing the overall expenditures and revenue, it is important to take a closer look at the associated maintenance costs of this operation as it relates to Perpetual Care Fund needs and opportunities for future cost/benefit analysis of in-house services vs. contracted services. The next chart and graphs shows these maintenance services.

Metro Pioneer Cemeteries Maintenance Expenditures Fiscal Years 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 & 2010-11				
Fiscal Year	Maint. Personal Services	Maint. Materials & Services	Total Expenditure	Of Which the Following was Contracted out for Opening/Closings
FY 05-06	\$160,401	\$170,528	\$330,929	\$85,941
FY 06-07	\$124,481	\$139,567	\$264,048	\$72,990
FY 07-08	\$70,216	\$191,569	\$261,785	\$100,293
FY 08-09	\$92,486	\$166,706	\$259,192	\$93,198
FY 09-10	\$96,527	\$166,637	\$263,164	\$102,909
FY 10-11	\$104,862	\$166,697	\$271,559	\$109,259





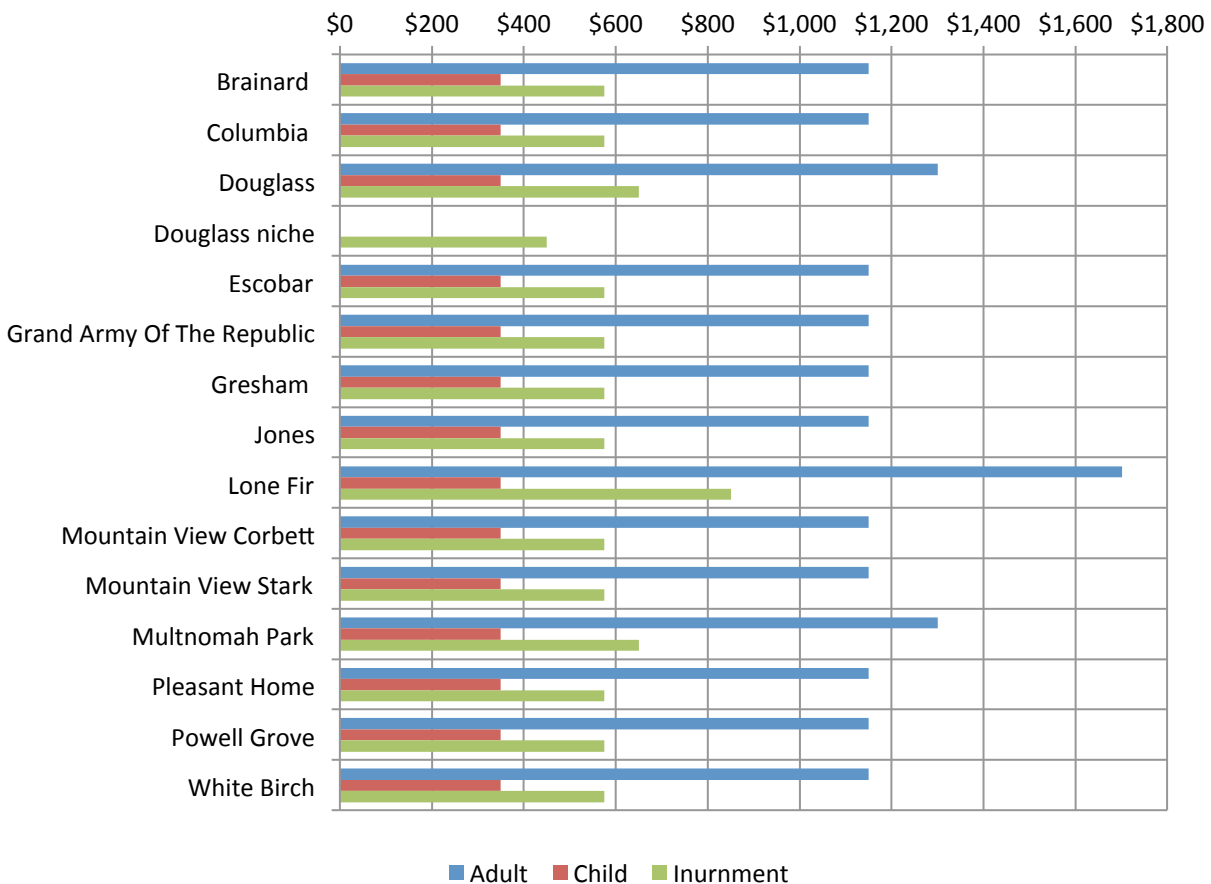
*Information courtesy of Metro.*

## 2. Sales Pricing

Currently, MCP sells only property, liners/vaults, and opening/closing services. Their state license only allows for at-need interment right sales and services, or the interment right sales of grave plots to be used at a later date (“pre-purchase”). Customers cannot pre-pay Metro for burial services as MCP is not licensed to do so at this time. Cemetery merchandise is defined in State Statute 97.010. Metro’s 2011 pricing for services and merchandise is near the lowest in the market, with the following breakdown provided for reference.

<b>Cemetery Grave Selection</b>	<b>Adult</b>	<b>Child</b>	<b>Inurnment</b>
Lone Fir	\$1,700	\$650	\$850
Multnomah Park	\$1,300	\$350	\$650
Douglass	\$1,300	\$350	\$650 ground / \$450 niche
Brainard, Columbia, Escobar, GAR, Gresham, Jones	\$1,150	\$350	\$575
Mt. View Corbett & Stark, Pleasant Home, Powell Grove, White Birch	\$1,150	\$350	\$575
<b>Grave Opening/Closing</b>	<b>Adult</b>	<b>Child</b>	<b>Inurnment</b>
Vaulted Grave	\$650	\$300	\$400 ground/\$360 niche
Oversized Grave	\$675	n/a	n/a
Double Depth	\$800	\$800	n/a
<b>Outer Burial Containers</b>	<b>Adult</b>	<b>Child</b>	<b>Inurnment</b>
Boxes	\$450	\$195-200	\$100
Adult Oversized Box	\$625	n/a	n/a
Adult Small Box	\$225	n/a	n/a
Vaults	\$795-\$6,500		
<b>Additional Services and rites</b>	<b>Adult</b>	<b>Child</b>	<b>Inurnment</b>
Saturday overtime	\$300	\$300	\$300
Sunday/Holiday overtime	\$650	\$650	\$650
Weekday overtime after 3pm per hour	\$150	\$150	\$150
Engraving Niche Space	\$150	\$150	\$150
2 <sup>nd</sup> Rite of Interment	\$200	\$150	\$150
Disinterment	\$971	\$971	n/a

## Cemetery and Grave Selection Pricing - 2011



### 3. Endowment Care and Perpetual Care Funds

As is common in the U.S., cemeteries in Oregon can be divided into two categories, endowed care or non-endowed care. In an endowed care cemetery a portion of each grave, niche, or mausoleum space sale is placed into an endowment care trust fund. The income from the trust may only be used for the maintenance of the cemetery, and the principal cannot be withdrawn. This assures that funds will always be available for maintenance of the grounds, facilities, and roads. A non-endowed care cemetery may not represent that it provides general care or maintenance, and must rely upon property owners or volunteers to maintain the grounds, facilities, and roads, which often results in a general lack of care and upkeep. In Oregon, however, because MCP is a municipal cemetery authority, it is exempt from the endowment care trust fund requirements of Oregon law, specified in ORS 97.810 and 97.820.

These endowment care fund statutes govern the amount of money collected, the deposit of such funds in an irrevocable trust fund with a qualified trustee, and the use of such funds. A minimum 15 % of the grave or mausoleum sale price and 5% for niche sale must be collected on each sale for burial in an endowment care cemetery. It is important to note that nothing prevents the collection

of more than the minimum. Regardless of amount, the funds collected must be placed in the trust fund within 30 days of receipt.

As noted above, MCP is exempt from the endowment care trust fund requirements, so the funds MCP collects are identified as a “special care fund” and are placed in a separate Metro fund rather than in an irrevocable trust. This Metro fund was established in 2003 by Metro Council Resolution No. 03-0996 and made permanent in 2008 by Metro Council Resolution No. 08-3943. The other difference between an endowment care fund and Metro’s special fund is that the minimum endowment care amount is set by statute, whereas MCP may collect special care funds in any amount by surcharge fee on a grave or niche sale, donations, gifts, grants, etc.. When Metro established the perpetual care fund in 2003, it was determined to set a surcharge of 15 percent of the grave purchase price and 5 percent of the niche purchase price as a reasonable approximation of industry standards. However MCP may increase or decrease the surcharge at any time.

At the time of this report, the special care fund was valued at approximately \$345,565. The grave inventory is expected to be exhausted in 2044 (approx. 4,300 spaces/130 sales per year); if the annual income is reinvested and the corpus of the fund is never spent, this fund would be approximately \$1,107,000. Unfortunately, this will fall well short of the necessary fund balance to provide services in perpetuity.

In CPRA’s experience, most endowment care cemeteries collect only the minimum percentage required by state law. Because only the annual income from trust fund investments may be used to fund maintenance, financial forecasting analysis reveals that this will not produce a sufficient trust fund to provide the level of income necessary to maintain a cemetery in perpetuity. In order to find this deficiency, it’s necessary to look at the full build-out of the property for estimated total income, and multiply that amount by the minimum contribution to determine the estimated endowment trust fund principle. Applying an appropriate rate of return on the corpus provides an estimate of the annual income available for maintenance. This can then be compared to the estimated annual cost to maintain a cemetery that is fully built-out and is in a perpetual maintenance mode of operations. The difference between the estimated income and expense is the projected operating deficiency. This projected deficiency may then be used to extrapolate the appropriate increased percentage that should be charged in addition to the mandated minimum.

While the MCP has only recently began to collect a surcharge for the special care fund, any new cemeteries that may be developed will need to establish and collect perpetual care fees as prescribed above from the outset. For the portfolio of existing cemeteries, it would not be possible to make up the deficiency without increasing grave prices accordingly.

There are not enough available spaces left in the cemeteries to compensate for all of the sales that occurred before MCP’s perpetual care fund was established. Nevertheless, the minimum surcharge on new sales could be raised so that the shortfall is not as large as projected. The more the shortfall gap is closed, the less the existing cemeteries will have to rely on general fund dollars for perpetual maintenance.

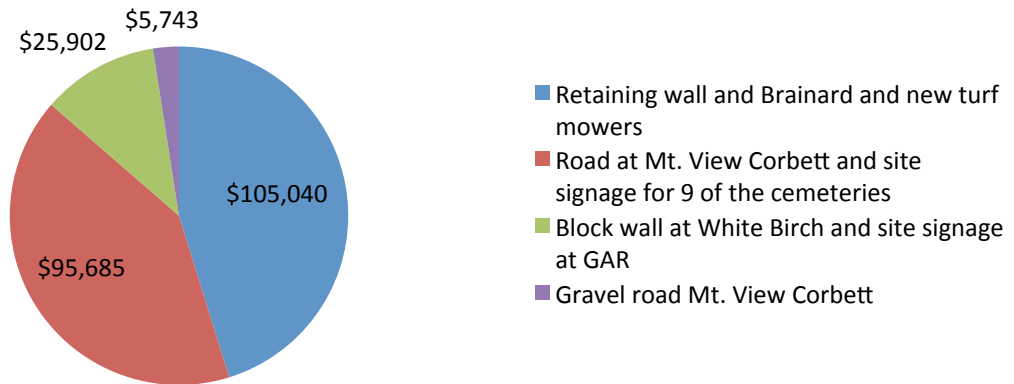
#### 4. Current Renewal & Replacement Costs

Metro has defined a list of deferred maintenance needs. Four of those projects have been funded through Metro's Renewal and Replacement program, with expected costs defined for the next four years. These needs are as follows:

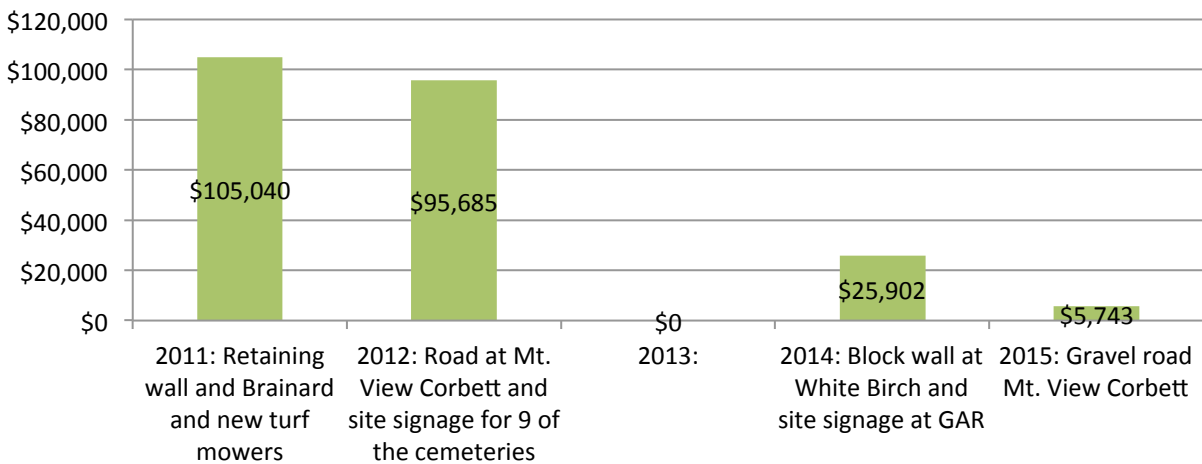
##### IDENTIFIED CEMETERY PROGRAM RENEWAL & REPLACEMENT PROJECTS 2011-15

Description	Location	Acquire Date	Life	Year	Cost
Retaining Wall 210 feet	Brainard		25	2011	\$ 65,040
Flail Mowers (2)	Cemetery Program		7	2011	\$40,000
Asphalt Road (450 ft x 9 ft)	Mt. View Corbett	12/31/1977	35	2012	\$43,297
Signage (1 lg)	Brainard	12/31/2002	10	2012	\$5,41
Signage (1 lg)	Douglas	12/31/2002	10	2012	\$ 5,412
Signage (1 lg)	Jones	12/31/2002	10	2012	\$ 5,412
Signage (1 lg)	Mt. View Corbett	12/31/2002	10	2012	\$5,412
Signage (1 lg)	Mt. View Stark	12/31/2002	10	2012	\$ 5,412
Signage (1 lg)	Multnomah Park	12/31/2002	10	2012	\$ 5,412
Signage (1 lg)	Pleasant Home	12/31/2002	10	2012	\$ 5,412
Signage (1 lg)	Powell Grove	12/31/2002	10	2012	\$ 5,412
Signage (3 lg)	Lone Fir	12/31/2002	10	2012	\$ 9,092
Block Wall (206 ft)	White Birch	12/31/1989	25	2014	\$20,271
Signage (1 lg)	Grand Army of the Republic	12/31/2004	10	2014	\$ 5,631
Gravel Road (600 ft x 11 ft)	Mt. View Corbett	12/31/1995	20	2015	\$ 5,743

### Metro Pioneer Cemeteries - Overall Deferred Maintenance Needs



### Metro Pioneer Cemeteries - Annual Deferred Maintenance Projects



Through interviews, MCP staff has identified additional projects neither listed in Metro's Renewal and Replacement schedule nor in Metro's budget. At the time of this report, MCP staff indicated that Metro's Finance and Regulatory Services (FRS) would be updating the agency list of Renewal and Replacement Projects during fiscal year 2011-12. CPRA recommends that this list and Appendix 3 for Lone Fir be considered for the FRS renewal and replacement project.



The following projects are listed in order of importance per property:

**a. Lone Fir**

1. Reseeding in select areas.
2. Install flower/plant composting area with multilingual signage.
3. Projects as identified in the Lone Fir Master Plan, Appendix 3, Priority projects listed with the master plan are:
  - a. Bottler's Mausoleum \$80,000
  - b. MacLeay Mausoleum \$380,000
  - c. The north retaining wall costs to be determined.

**b. Douglass**

1. Eastside Jewish Community section shrub border replacement.
2. Pump house removal and well cap (in current renewal and replacement schedule).
3. Columbarium wall/side adjustment.
4. Install flower/plant composting area with multilingual signage.
5. Reseeding in select areas.
6. Hedge removal on Halsey and fence installation to replace the hedge.
7. Block 8 & 9 walkway shrub & tree planting.
8. Irrigation system installation.

**c. Multnomah Park**

1. Gravel road pot hole repair.
2. Install flower/plant composting area with multilingual signage.
3. Reseeding in select areas.
4. Block marker replacement.
5. Identify roadways to remove and install fence to close.
6. Replace fencing on the west and south sides of the cemetery with matching wrought iron fencing to match the east and north sides of the property.

**d. Brainard**

1. Install "rain barrels" for patrons to use for watering.
2. Install flower/plant composting area with multilingual signage.
3. Perimeter fencing.
4. Improve and/or pave parking area.

**e. Gresham Pioneer & Escobar**

1. Install “rain barrels” for patrons to use for watering.
2. Install flower plant composting area with multilingual signage.
3. Service road repair.
4. Stream bank restoration.
5. Brick entry columns demo or replacement.

**f. White Birch**

1. Sign replacement.
2. Remove and replace perimeter fence.
3. Invasive plant removal.
4. Install “rain barrels” for patrons to use for watering.

**g. Pleasant Home**

1. Stream bank restoration (in progress).
2. Install “rain barrels” for patrons to use for watering.
3. Install flower/plant composting area with multilingual signage.
4. Install fencing.

**h. Mt. View Stark**

1. Install “rain barrels” for patrons to use for watering.
2. Install flower/plant composting area with multilingual signage.
3. Fence off south side.
4. Vegetation restoration on hillside.
5. Invasive plant removal.

**i. Powell Grove**

1. Install “rain barrels” for patrons to use for watering.
2. Install flower/plant composting area with multilingual signage.
3. Invasive plant removal.
4. Install perimeter fence.
5. Improve and/or pave parking area.

**j. Mt. View Corbett**

1. Install “rain barrels” for patrons to use for watering.
2. Install flower/plant composting area with multilingual signage.
3. Post & cable replacement along road way.
4. Vegetation restoration on hillside.

**k. Columbia Pioneer**

1. Install “rain barrels” for patrons to use for watering.
2. Install flower/plant composting area with multilingual signage.
3. Replace existing south side fence and add onto north, east, west sides.
4. Small retaining wall repairs.
5. Pave access road.

**l. Jones Cemetery and Havurah Shalom**

1. Tree pruning/trimming.
2. Install “rain barrels” for patrons to use for watering.
3. Install flower/plant composting area with multilingual signage.
4. Reseeding in select areas.
5. Install SW boundary marker(s).
6. Vegetation restoration on hillside and in wooded areas

**m. Grand Army of the Republic**

1. Install “rain barrels” for patrons to use for watering.
2. Install flower/plant composting area with multilingual signage.
3. Verify North and North West property boundaries.
4. Straighten perimeter boundary metal posts.
5. Brick entry columns repair.

Staff has indicated that they desire that a part of the regular budget process, funding be secured for all of the cemeteries and park properties so that staff may regularly schedule bucket truck, chipper rentals for Parks and Environmental Services Arborist to care for trees.

## G. Demographics and Trends

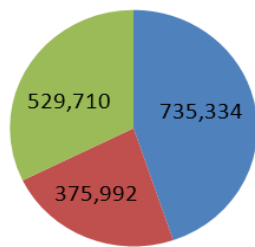
### 1. Market Snapshot

As shown below, the death care industry is expected to see a favorable increase in customers over the next 30 years as the 'Baby Boomer' generation continues to age. With 'Boomers' currently between the age of 46 and 66 and the national life expectancy projected by the US Census at 78.56, the industry will see demand outpace supply.

Key metrics in this regard are offered in the following graphs for reference:

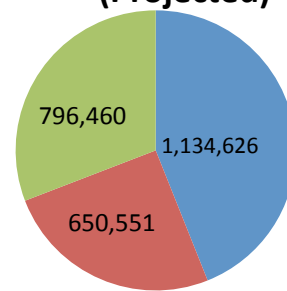
Metro Pioneer Cemeteries - Existing & Projected Demographic Information								
County/City	Population (2010)	Households (2010)	Median Age (2009)	Median Household Income (2009)	Forecast Population (2040)	Forecast Households (2040)	Projected Growth Rate 2010-2040	2003 Growth Ranking
<b>Multnomah County</b>	<b>735,334</b>	<b>304,540</b>	<b>35.7</b>	<b>\$49,171</b>	<b>1,134,626</b>	<b>514,451</b>	<b>54.3%</b>	<b>15</b>
Portland	583,766	248,546	35.8	\$48,053	950,781	437,371	60.4%	----
Gresham	105,594	38,704	33.6	\$47,515	122,565	54,208	17.7%	----
Troutdale	15,962	5,671	34	\$62,882	15,948	6,375	10.1%	----
<b>Clackamas County</b>	<b>375,992</b>	<b>145,790</b>	<b>40.6</b>	<b>\$62,030</b>	<b>650,551</b>	<b>238,773</b>	<b>73.0%</b>	<b>7</b>
Lake Oswego	36,619	15,893	45.8	\$80,549	67,835	21,330	73.5%	----
Milwaukie	20,291	8,667	39.9	\$50,380	37,438	17,113	11.7%	----
Oregon City	31,859	11,973	36.3	\$56,668	68,587	27,960	71.6%	----
<b>Washington County</b>	<b>529,710</b>	<b>200,934</b>	<b>35.3</b>	<b>\$62,218</b>	<b>796,460</b>	<b>320,230</b>	<b>50.4%</b>	<b>2</b>
Beaverton	89,803	37,213	34.7	\$55,213	169,262	72,059	20.1%	----
Hillsboro	91,611	33,289	32	\$59,061	100,313	45,530	7.8%	----
Tigard	48,035	19,157	37.4	\$63,554	77,194	31,001	41.1%	----
Tualatin	26,054	10,000	34.6	\$60,467	34,110	12,903	22.2%	----

**2010 County Population**

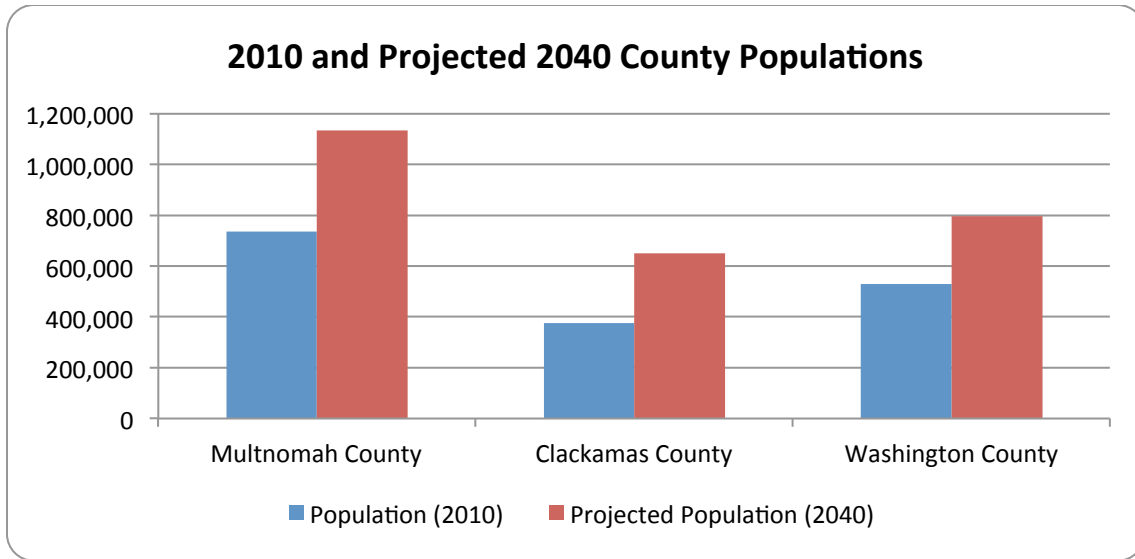


■ Multnomah County ■ Clackamas County  
■ Washington County

**2040 County Populations (Projected)**



■ Multnomah County ■ Clackamas County  
■ Washington County



Sources: State of Oregon, U.S. Census, and Wikipedia

## 2. Death Rate

Although the current death rate is under 1.0%, it is expected to rise considerably over the next 30-40 years as the population grows and ages. Current death rates, according to the Center for Disease Control, are as follows:

- The death rate for the U.S. is 7.41 deaths per 1000 population, or 0.741%.
- The death rate for Oregon is 7.33 deaths per 1000 population, or 0.733%.

According to the 2008 U.S. Census, the total number of deaths in the U.S. that year was 2,452,570. By 2025, this number is projected to rise to 3,064,000, a 24.9% increase in 17 years.

## 3. Cremation Rates

According to the Cremation Association of North America, the average cremation rate in the U.S. is projected to rise to 44.45% in the year 2015, with Oregon's rate projected to rise to 77.73%. Oregon is currently ranked #4 in the U.S. for percentage of cremations, with 69.24% of deaths cremated in 2009. Five major trends affecting cremation in the U.S. are:

- Cost
- Range of Options
- Environmental Impact
- Geography
- Religious Acceptance

## 4. Trends

In addition to the increase in death and cremation rates, other significant trends are occurring in the death care industry that the Metro Council may want to consider when establishing priorities for the MCP. These trends include:

- **Personalization:** Consumers are seeking more personalized memorials/tributes within pastoral settings for their final resting place. The MCP is seeing this trend in purchases made by the Slavic community.
- **Green/Natural Burial:** While lagging behind in this type of burial compared to countries such as the U.K., the popularity of green / natural burials in the U.S. is growing. Service Corporation International, the world's largest death-care provider, identified the Portland area as one of three key markets in which their funeral homes will begin offering "green" funeral packages.
- **Pet Cremation/Burial:** There is a growing trend for pet death services and products.
- **Family Estates:** There appears to be a trend, similar to that of 100 years ago, in which families are selecting more expensive private estates.
- **Sustainability:** Another growing trend for cemetery service providers is 'sustainability' and understanding how short and long-term costs can be reduced. This could be of great benefit to MCP.
- **Space Re-Use:** A long-term practice in other markets around the world, this option leases burial spaces for a set period of time (often 25 years or more). After that time, remains are placed in a communal plot, and the leased space is used by others. This idea is common in a few locations in the U.S. and is expected to become more common as space becomes limited in other market areas, or in cemeteries that need additional revenue streams to sustain operations.
- **Cremation "take-homes":** A study conducted by the Cremation Association of North America (CANA) in 1997 noted that 35.8% of cremation dispositions ended up at the family's home. Looking for ways to connect with families served over the last 10-20 years, and possibly recapturing previously lost inurnment rights could lead to a tremendous opportunity for additional revenue.

## H. Competition

The death care industry in the United States is a \$20 billion per year industry. There are approximately 23,000 funeral homes, 100,000 cemeteries, and over 700 casket businesses across the country. The industry includes:

- Mortuaries
- Cemeteries
- Cremation Facilities
- Casket Manufacturers
- Memorial Manufacturers
- Funeral/Cemetery Suppliers and Vendors

The death care industry in the Portland region can generally be divided into two primary categories – cemetery services and mortuary care. Of those registered with the Oregon Mortuary and Cemetery Board, there are 72 mortuaries, funeral homes, and cremation service providers and 104 cemeteries in the Tri-County area (Multnomah, Washington, and Clackamas counties).

Understanding that MCP cemeteries are all located in Multnomah County, it is important to note there are 27 cemeteries listed in the area, with the majority of burials/final dispositions occurring in perpetual care cemeteries. Of these 27, the following six operations were analyzed relative to pricing and services:

- **Lincoln Memorial Park Cemetery:** Owned and operated by Service Corporation International, North America's largest single provider of funeral, cremation and cemetery service, this is a combination cemetery and funeral home operation that offers ground burial plots, urn plots, mausoleums, niches, an urn garden, private burial estates, bench states, upright estates, and scattering gardens.
- **Mount Calvary Catholic Cemetery and Gethsemane Catholic Cemetery:** Established in 1888 and owned and operated by the Catholic Archdiocese of Portland, these cemeteries are intended to provide sacred burial grounds for members of parishes who do not have access to a parish cemetery. Mt. Calvary and Gethsemane are located on 160 acres of land which includes ground burial plots, mausoleums, niches, and cremation burial plots. The Archdiocese is currently building a new lawn crypt section of 200 graves.
- **Rose City Cemetery:** Founded in 1906, this 80-acre, privately-owned and operated cemetery in Northeast Portland provides ground burial plots, mausoleums, and niches. Although they have adequate inventory at this time, they have little room for further expansion.
- **River View Cemetery:** Established in 1882, this not-for-profit endowment care cemetery is owned and operated by the River View Cemetery Association. The cemetery offers ground burial plots, mausoleums, niches, family burial plots, urn gardens, and green burial options. They currently have approximately 40 acres remaining for future development.
- **Finley - Sunset Hills Memorial Park:** Owned and operated by Stewart Enterprises, a corporation with cemeteries and funeral homes in 29 states, this cemetery offers ground burial plots, lawn crypts, mausoleums, niches, family estates, companion crypts, private mausoleum and a partial green burial offering in which they turn their required grave liners upside down, allowing the body to touch the ground.
- **Forest Lawn Cemetery and Mausoleum:** Owned and operated by Stonemor Partners, LLC, Forest Lawn Mausoleum & Cemetery was established in the early 1930's, and serves all faiths and cultures. The cemetery is located in a quiet part of east Gresham, and is adjacent to the Springwater Corridor Trail to the north, and protected forest lands to the south. Forest Lawn offers a chapel and many types of memorial options, from traditional ground burial and mausoleum crypts, to various cremation options, including a scattering garden.

Of these six cemeteries, four are combined with on-site mortuaries allowing a one-stop shopping opportunity for the customer. Their respective pricing structures (ranging from low to high) are as follows: